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Japan Seeks to Join Pacific Trade Pact

By **HIROKO TABUCHI**

TOKYO — Japan will seek to join negotiations for a wide-ranging, multilateral free trade pact with the United States and other Pacific nations, Prime Minister **Shinzo Abe** said Friday, giving heft to trade talks that could now encompass two-fifths of the world economy but also bringing on board a country with special demands and reservations that some participants fear will delay a final agreement.

In an impassioned televised address, Mr. Abe portrayed the Trans-Pacific Partnership as Japan's "last chance" to remain an economic power in Asia and shape the fast-growing region's economic future.

"Japan must remain at the center of the Asian-Pacific century," Mr. Abe said. "The emerging economies of Asia are also opening up their economies."

"If Japan alone continues to look inward, we will have no hope for growth," he added. "This is our last chance. If we don't seize it, Japan will be left out."

But with strong opposition from Japan's farming lobby and other powerful interest groups, Mr. Abe takes a big political risk in embracing the free trade talks. Japan's largest agricultural cooperative has actively campaigned against trade liberalization, saying such a change would decimate the nation's farms, a plea that has found support among the wider public.

Mr. Abe is betting, however, that his strong popularity ratings will help him ride out the furor that has erupted among opponents. He will face his first test at the polls this summer, when national elections for Parliament's upper house are due.

To soften the blow of a more open economy, Mr. Abe has secured vague support from the United States that some Japanese agricultural products — like rice, which is protected by a 778 percent tariff — would be exempt from the free trade negotiations.

But insisting on these "sacred cows" could hurt Japan's hand in negotiations elsewhere, especially in gaining further access to foreign markets for its manufacturers, which produce three-quarters of the country's exports.

Meanwhile, it is unclear how much Mr. Abe is willing to commit to other structural changes the pact might demand of Japan's economy. The agreement seeks not only to eliminate tariffs, but also to do away with other barriers to foreign trade, like cumbersome regulations and government subsidies, for which Japan is notorious.

Proponents of free trade say such changes would ultimately be a shot in the arm for the Japanese economy, making insular industries more competitive. Joining the Trans-Pacific Partnership would expand Japan's economy by at least ¥3.2 trillion, or \$33 billion — about 0.66 percent — the government estimated Friday.

Mr. Abe has made such changes one of the three pillars of his economic growth strategy, together with an aggressive monetary policy and government spending.

"It's a start, but a very welcome step for economic growth," Ryutaro Kono, Japan economist for BNP Paribas, said in a note to clients.

But Japan's agricultural cooperatives have teamed up with other interest groups to present the Trans-Pacific Partnership as a threat to the Japanese lifestyle. A nationwide association of doctors opposes the pact because they argue that it will erode Japan's universal insurance system.

An overrepresentation of farming interests in Japan's electoral system — and the deep pockets of doctors — have won them considerable political clout. Even within Mr. Abe's own Liberal Democratic Party, a majority of lawmakers object to the free trade deal.